



Department of Justice

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FORMER NORTH CAROLINA TEXTILE EXECUTIVE AGREES TO PLEAD GUILTY TO FIXING PRICES OF SPUN YARN PRODUCTS

WASHINGTON, D.C. -- The former vice president of a North Carolina-based yarn spinner company has agreed to plead guilty to participating in a conspiracy to fix the prices of spun yarn used to manufacture hosiery such as athletic socks and printed T-shirts, the Department of Justice today announced.

According to the one-count felony charge filed in the U.S. District Court in Raleigh, North Carolina, Carlton Gary Walker, a former vice president of sales of the now defunct Harriet & Henderson Yarns Inc., conspired with unnamed co-conspirators to fix the prices of 10 and 18 count open-end spun yarn products sold in the United States from October 2000 until June 15, 2001. Under the plea agreement, which must be approved by the court, Walker has agreed to assist the government in its ongoing investigation. Walker is from Henderson, North Carolina.

Walker was charged with carrying out the conspiracy with his co-conspirators by, among other things:

- Participating in a meeting and in conversations to discuss fixing the prices of 10 and 18 count open-end spun yarn to be sold in the United States;
- Agreeing, during that meeting and those conversations, to charge prices at certain levels and otherwise to increase and maintain prices of 10 and 18 count open-end spun yarn to be sold in the United States;
- Issuing price announcements and price quotations in accordance with the agreements reached; and

- Exchanging information on sales of 10 and 18 count open-end spun yarn in the United States for the purpose of monitoring and enforcing adherence to the agreed-upon prices.

“Price fixing harms businesses and consumers by depriving them of the benefits of fair and competitive pricing,” said Scott D. Hammond, Deputy Assistant Attorney General in charge of the Division’s Criminal Enforcement Program. “The Division continues its efforts to ferret out and prosecute price fixers.”

Walker is charged with violating Section 1 of the Sherman Act, which carries a maximum penalty of three years imprisonment and a \$350,000 fine for individuals for violations occurring before June 22, 2004. The maximum fine may be increased to twice the gain the conspirators derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

This case is the first to arise out of an ongoing investigation being conducted by the Antitrust Division’s Atlanta Field Office. Anyone with information concerning price fixing in the yarn industry should contact the Atlanta Field Office of the Antitrust Division at (404) 331-7100.

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